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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

(TRIMESTER 2, 2019/2020)

UTS2612 – INTERNATIONAL TRADE AND SHIPPING LAW

(All Sections / Groups)

14th March 2020

Reading Time : 9:00 am- 9:15 am

(15 Minutes)

Answering Time: 9:15 am- 12:15 pm

(3 Hours)

INSTRUCTIONS TO STUDENTS

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes **ONLY** in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.
 2. This Question paper consists of 3 pages with 4 Questions only.
 3. Attempt **1A OR 1B** from **PART A** and answer **ALL** from **PART B**. All questions carry equal marks and the distribution of the marks for each question is given.
 4. Students are only allowed to bring in **CLEAN AND ORIGINAL COPY** of the following statutes into the exam venue:
 - i. Merchant Shipping Ordinance 1952
 - ii. Carriage of Goods by Sea Act 1950
 - iii. Sale of Goods Act 1957
 - iv. Reciprocal Enforcement of Judgments Act 1958
 - v. United Nations Convention on Contracts for the International Sale of Goods (CISG)
 - vi. Hague-Visby Rules
- “Clean” is defined to include no tagging, no annotation either by the publisher or anyone else, and no erased marking. Highlighting and underlining are also prohibited.
5. Please write all your answers in the Answer Booklet provided.

PART A (Attempt 1A OR 1B from this section)**QUESTION 1(A)**

- (1) Explain the applicability of the UN Sale Convention, CISG 1980 with decided cases.

(15 marks)

- (2) Explain the obligations of buyer and seller under the CISG.

(10 marks)

(Total: 25 marks)

OR

QUESTION 1(B)

- (1) Explain the two types of Ship Registry in Malaysia.

(15 marks)

- (2) Explain the functions and characteristics of the Malaysian Admiralty Court.

(10 marks)

(Total: 25 marks)

Continued...

PART B (Answer **ALL** from this section)**QUESTION 2**

Shipyard Co, a company incorporated under the laws of the United Kingdom contract to build an oil-tanker for RonOil Berhad, a company incorporated under the laws of Malaysia. Their contract stipulated that in case of any dispute the parties are to litigate the matter in the high courts of Hong Kong. After the contract was completed and Shipyard Co had begun construction, the global economy experienced a recession and RonOil Berhad was unable to secure oil transportation contracts from other oil companies and therefore filed for winding-up. As such, RonOil Berhad cancelled the shipbuilding contract with Shipyard Co. Shipyard Co then sued RonOil Berhad in Hong Kong according to the provisions of the contract. The High Court judge in Hong Kong awarded RM 50 million damages in favour of Shipyard Co. Due to RonOil Berhad's winding-up proceeding, RonOil Berhad no longer has any assets in Malaysia. However, based on the creditor's inventory list RonOil Berhad still has a bank account in a Malaysian bank worth RM 20 million and an office building in Petaling Jaya worth RM 10 million. Shipyard Co has retained you as its Malaysian counsel.

Advise Shipyard Co on how it can, if possible, enforce the Hong Kong judgment in Malaysia.

(Total: 25 marks)

QUESTION 3

(1) Explain the major differences between salvage and towage.

(10 marks)

(2) Explain the functions of bill of lading under Carriage of Goods by Sea law.

(15 marks)

(Total:25 marks)

Continued...

QUESTION 4

On 3rd January 2017, a Singaporean, Mr. Francis, bought *MV Lion*, a ship registered in Italy, from Mr. Joel, a British man. On 15th August 2016, *MV Lion* was suspected of violating Malaysian fisheries law for illegal fishing in the Exclusive Economic Zone of Malaysia. However, the Malaysian Coastguard failed to arrest *MV Lion* since it tried to flee away into the territorial waters of a third State, Indonesia. On 2nd December 2016, *MV Tiger*, also owned by Mr. Francis, voluntarily entered the Malaysian Port Klang and was arrested by Malaysian authorities for the offence which was committed by *MV Lion* on 15th August 2016.

Advise Mr. Francis on whether the arrest of *MV Tiger* by the Malaysian authorities was lawful. Support your answer with decided cases.

(Total: 25 marks)

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